



Bill No: HB 34—Failure to Pay Rent Proceedings- Prohibition on Rent Increases and Sealing of Court Records

Committee: Environment and Transportation

Date: 1/26/2023

Position: Informational

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's Counties.

HB 34 prevents housing providers from raising rents solely because a judgment was entered against a tenant in a failure to pay rent action. AOBA members are concerned that it would be overly burdensome to prove that a rent increase was due to a legitimate reason, such as increased operating costs, rather than a failure to pay rent action. This could encourage tenants to miss rent payments to avoid rent increases.

The bill also requires the District Court to seal all court records related to a failure to pay rent proceeding within 60 days after the final resolution of the eviction proceeding if the case does not result in a judgment of possession. Additionally, by a motion of a resident, the District Court may seal records if: (1) the District Court determines that it is in the interest of justice that the court records relating to failure to pay rent be sealed; (2) the resident establishes a preponderance of evidence that the tenant exercised the right of redemption and at least 12 months have passed since the final resolution of the proceeding.

AOBA understands the desire to shield court records when the case is dismissed or the unit was not repossessed. However, members believe that failure to pay rent proceedings plays an important role in determining a prospective tenant's ability to pay rent on time. That is because housing providers depend on timely rent payments as the single source of revenue used to cover all operating costs, and it is costly to evict a resident for failure to pay rent. Housing providers must determine whether a resident has been in court for failure to pay rent without the resident's ability to shield their records.

For further information, contact Ryan Washington, AOBA Government Affairs Manager, at 202-770-7713 or email rashington@aoba-metro.org.